

## **MINUTES**

### **VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING - LOAN BUSINESS**

**February 18, 2004 - 12:00 P.M.**

**8<sup>th</sup> & Main Building, 3<sup>rd</sup> Floor Conference Room  
Richmond, Virginia**

- I. Voting members present: Andy Brownstein, Jim Cheng, Hattie Hamlin, Esther Corpus, Jody Wagner, and Bob Young.  
Others present: Chuck Mills, Mike Eisenman, Seth Ginther, Scott Parsons, Larry Malone, Patty Thorne, Anna Mackley Cobb, Mark Heede, and Barbara Carter.
- II. Approval of Minutes - On a motion by Bob Young, seconded by Jim Cheng, the minutes of the December 16, 2003 Board of Directors - Loan Business Meeting were unanimously approved.
- III. 501 c 3 Bond Program Application
  - A. Meals on Wheels of Greater Richmond, Inc. - Chesterfield County - \$8,000,000. Anna Mackley Cobb reviewed for the Board this application for 501 c 3 bonds to construct and equip a meal production facility.
- IV. **PUBLIC HEARING**
  - A. Meals on Wheels of Greater Richmond, Inc. - Chesterfield County - \$8,000,000 501 c 3 bond. On a motion by Jim Cheng, seconded by Hattie Hamlin, the Board of Directors unanimously adopted an inducement resolution authorizing the issuance of 501 c 3 bonds to finance the construction and equipping of a meal production facility. (Ms. Wagner was not present for the vote; Bob Young voted on her behalf.)
- V. Board Review and Ratification of Loans Approved and Declined by Staff - On a motion by Jim Cheng, seconded by Hattie Hamlin, the loan decisions of \$500,000 or less approved and declined by staff for January 2004 were unanimously ratified.

- VI. Ratification of Virginia Capital Access Program Claims - On a motion by Jim Cheng, seconded by Hattie Hamlin, the Board of Directors unanimously approved the ratification of the payment of six claims under the Virginia Capital Access Program for the benefit of BB&T Bank and The Bank of Southside Virginia.
- VII. Update on Adversely Classified and Charged-off Loans - Mark Heede briefly updated the Board on the status of the problem loans under the Loan Guaranty Program and the Economic Development Loan Fund and any expectation of recovery of any monies due to VSBFA.
- VIII. Presentation on New Market Tax Credits Program - Steve Blair, Director of Operations, Hampton Roads Ventures, LLC and the Planning Manager for Norfolk Redevelopment and Housing Authority, presented information to the Board of Directors on the U. S. Department of Treasury's new market Tax Program. This program is designed to be a potential funding source for community development loan funds. The Board is considering utilizing this program by entering into an agreement with Hampton Roads Ventures.
- IX. Presentation on Community Reinvestment Fund - Larry Malone, Director of Economic Development, Kaufman & Canoles Consulting, LLC, presented to the Board information on a reinvestment fund known as the Community Reinvestment Fund. This is another potential funding source for the VSBFA. This non-profit organization would potentially purchase VSBFA loans at the time of funding, or as a portfolio as a whole.
- X. Board Discussion on Above Programs for Additional Funding - After the presentations were made, the Board discussed at length the possibility of VSBFA using these programs as a source of additional funding. A final decision was not reached and the discussion will continue at the next meeting.
- XI. The Chairman adjourned the meeting.